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SUBJECT: MEDIA REACTION ON CAFTA, MARCH 4, 2005

1. Editorial in San Pedro Sula-based liberal daily "Tiempo" on 3/4, entitled "RATIFICATION." "Congress approved CAFTA, cutting off at the knees the strong polemic debate about this important issue."

"Somehow the strong criticism of CAFTA served to help add benefit to the commercial trade language by adding (at the margins) equalizing measures that if implemented by the government should balance its effect on economic development policies."

"These policies will have to address the agreement's liberalization and the rights that it grants to transnational companies, and for foreign investment capital as well as its impact on labor rights in the region."

"The fact is that CAFTA is not a tool of economic development but commercial trade. It is linked to the social and economic development problems facing the country; but we have to wait and see how the political parties respond, which should have nothing to do with repetitious propaganda but with serious proposals for Honduras' economic future."

2. Editorial in San Pedro Sula-based liberal daily "La Prensa" on 3/4, entitled "TLC in sight" "The Free Trade Agreement with the United States has been ratified by the Honduran Congress to strengthen trade relations; it opens more doors to our products with favorable effects to create more job opportunities and improve the conditions for capital investment that at the same time will generate employment."

"However, many doubts and fears exist toward Free Trade. The working class fears losing jobs if products coming from the United States bankrupt business."

"But without a doubt, the consumer will benefit from multiple buying choices, as well as a vigorous capital movement of investment and financing, allowing small and big industry to obtain lower and cheaper capital that allows them to diversify their economic activities."

3. Editorial in Tegucigalpa based-liberal daily "La Tribuna" on 3/4, entitled "Finally approved." "Very effective was the pressure that business organizations, specially the maquila sector, exerted in warning the government that the country has lost several thousands of jobs because of the delay in approving CAFTA, and if they continue delaying the ratification they will lose more."

"To the opposition groups, the ratification by the Congress of CAFTA has caught them with their pants down, while businessmen were meeting in a local hotel waiting for the final approval and getting ready to open the Champagne - after the ratification the union members called for demonstrations because they consider that the transnational companies will appropriate the country, forcing small businesses to disappear and leaving more than 300,000 workers jobless."

"We couldn't be left out of this agreement because without it we could lose access to the big North American market. It could provoke a massive loss of jobs, with more impact in the maquila sector, now that the region has to face the Asiatic competition. Honduras is the second country to ratify CAFTA."

Palmer